

Submission  
No 61

## **THE PROGRAM OF APPLIANCES FOR DISABLED PEOPLE (PADP)**

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## Council of Social Service of New South Wales

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Sydney, NSW, 2000

### **Re: Inquiry into the program of appliances for disabled people (PADP)**

Thank you for providing NCOSS with the opportunity to provide a submission to the Inquiry into the program of appliance for disabled people (PADP).

This submission provides a response to the following terms of reference:

1. Adequacy of funding for present and projected program demand
2. Impact of client waiting lists on other health sectors
4. Appropriateness and equity of eligibility requirements

### **About NCOSS**

The Council of Social Service of NSW (NCOSS) is an independent non-government organisation (NGO) and is the peak body for the non-government human services sector in NSW.

NCOSS has as its vision a society where there is social and economic equity, based on cooperation, participation, sustainability and respect. NCOSS works with its members on behalf of disadvantaged people and communities towards achieving social justice in New South Wales.

It was established in 1935 and is part of a national network of Councils of Social Service, which operate in each State and Territory and at Commonwealth level.

NCOSS membership is composed of community organisations and interested individuals. Affiliate members include local government councils, business organisations and Government agencies. Through current membership forums, NCOSS represents more than 7,000 community organisations and over 100,000 consumers and individuals.

Member organisations are diverse; including unfunded self-help groups, children's services, youth services, emergency relief agencies, chronic illness and community care organisations, family support agencies, housing and homeless services, mental health, alcohol and other drug organisations, local indigenous community organisations, church groups, peak organisations and a range of population-specific consumer advocacy agencies.

### **Introduction**

The PADP program provides equipment, aids and appliances to people with a life-long or long-term disability in order to support them to live independently in the community.

NCOSS believes that PADP is a fundamental part of the NSW Government's responsibility to support and promote the engagement of people with disability in all aspects of society. When meeting its objectives, PADP can be considered an essential foundational element upon which the Government's commitment to people with disability can be based.

Over successive inquiries and submissions, NCOSS has identified a number of key concerns with the operation of PADP, in particular that:

- Funding allocations to PADP are inadequate, preventing the program from meeting either current or projected demand
- Eligibility requirements do not take proper account of equity considerations, and fail to recognise that people with disability are proportionately over-represented within low income categories or the high cost of living faced by people with disability
- Co-payments associated with PADP cause unnecessary and at times significant financial hardship

Based on these key concerns, NCOSS makes the following recommendations:

1. That funding for PADP be increased by an additional \$24.4m in 2009/10, rising to a total budget of \$100m in 2014/15<sup>1</sup>
2. That income-based eligibility criteria for PADP is removed, and that any exclusions only apply to *very high income earners*.
3. That co-payments for PADP are removed.

NCOSS believes that if properly resourced the PADP program will assist the Government to meet a number of the commitments set out in the *State Plan: A new direction for NSW*. A properly resourced PADP program will assist the NSW Government to meet the following state plan goals:

- **F2: Increased employment and community participation for people with disabilities**  
Affordable access to equipment is a key strategy to reduce hardship and promote community participation for people with disability and their families. In particular, the provision of mobility and communication aids assists people with disability to overcome key barriers to participation in employment and community activities.
- **F5: Reduced avoidable hospital admission**  
The supply of essential equipment can promote independence and reduce the need for admission to intensive forms of care such as residential institutions. Appropriate and timely availability of equipment can help people to avoid future hospital admission (for example through falls prevention) and facilitate in home community care provision.

### **Adequacy of funding for present and projected program demand**

The resourcing and administration of PADP is an ongoing problem for consumers seeking equipment to assist them to live in the community. The program is significantly under-resourced. Long waiting lists remain a major concern, with many consumers lacking basic equipment to assist with mobility or other impairments.

NCOSS regional consultations have revealed very worrying examples of people waiting a number of years for basic equipment including mobility aids and beds. The long delay can lead to an ineffective use of resources, particularly where a person's needs change while they are waiting for a prescribed piece of equipment.

A report released in 2006 by PricewaterhouseCoopers found that there was a "failure of the available funds to adequately satisfy the reasonable expectation of the client group"<sup>ii</sup>. The report also concluded that demand on PADP would continue to increase with estimated increases in population prevalence of disability.

Whilst there has been some additional investment in PADP following on from this report, including \$11m in July 2008 to reduce the waiting list, there has been no substantial change to core or ongoing funding for the program, leaving issues such as unmet and increasing demand, long waiting lists and under-investment in the program largely unresolved beyond the short term.

**Recommendation 1:** That additional core funding for PADP is provided at an amount that ensures ongoing capacity for the provision of equipment, aids and appliances to people with a life-long or long-term disability.

Whilst we would welcome a more detailed and rigorous discussion of how to determine such an amount, based on data provided by PricewaterhouseCoopers, NCOSS analysis leads us to recommend that PADP receive an additional \$24.4m in 2009/10, rising to a total budget of \$100m in 2014/15<sup>iii</sup>. This recommendation is based on the following rationale:

- There is no income eligibility restriction
- There are no co-payments
- Includes capacity for incremental budget increases to assist in supporting any increased program demand

### **Impact of client waiting lists on other health sectors**

Affordable access to equipment is a key strategy to reduce hardship and promote community participation for people with disability and their families. The supply of essential equipment can promote independence and reduce the need for admission to intensive forms of care such as residential institutions. Appropriate equipment can help people to avoid future hospital admission (for example through falls prevention) and facilitate in home community care provision.

PADP is an integral part of the network of services that allows individuals to leave hospital under earlier discharge strategies and to live in the community rather than in residential facilities. The timely provision of appropriate equipment helps people to avoid future hospital admission (e.g. walking frames that prevent falls), enable community care services to provide assistance, and reduce demands on community care services by supporting people in the tasks of daily living.

While quantitative data is not available, it can be reasonably anticipated that where people with life-long or long-term disability do not have access to equipment, aids and appliances this can create a flow-on effects to other parts of the health sector, for instance:

- Some people will be admitted to hospital because they have developed pressure problems that require specialist prolonged medical intervention.
- Deformities develop and are exacerbated. This eventually leads to corrective surgeries, especially when equipment is not upgraded for growing children.
- Additional personal support services are needed so that a person with a disability can leave their home to shop and attend family, community and social activities.
- Many people experience additional pain as a result of unsuitable equipment, often requiring further medical intervention.
- Families cannot "do things together", resulting in family tension and disgruntled siblings.
- Some relinquish their independence. Given appropriate equipment, in a timely manner, people with disability need not sacrifice their independence.
- Some will lose their employment

NCOSS believes that some of the pressure currently exerted on acute care services within the public health system is the result of a lack of investment in public health services, in particular health promotion and early intervention and prevention services, including programs like PADP. Whilst it is difficult to identify data that specifically implicates any direct inadequacy for PADP in preventable interactions with acute care services, there is a range of general research available which supports this position. For instance:

- In NSW, almost a quarter of all deaths, and 67.4% of deaths that occur before the age of 75, are potentially avoidable<sup>iv</sup>. Potentially avoidable deaths are those that through health and related activities and interventions could have been prevented, such as through health promotion, disease screening and management, or intervention.
- NSW figures for 2002/03 to 2004/05 indicate that there are 141, 806 hospital separations for ambulatory care sensitive (ACS) conditions in NSW each year. Avoidable hospitalisations arising from (ACS) conditions are those that are considered potentially

avoidable through prevention and early intervention in diagnosis and disease management – activities often undertaken in a primary health setting<sup>v</sup>.

It is clear that a large number of deaths, hospitalisations and the overall burden of disease is avoidable, and that primary and community health services and programs have an essential role to play in the delivery of prevention services along with the delivery of early diagnosis, treatment and management services, such as PADP. If this was occurring, there is potential for significant positive repercussions for levels of demand on acute care services, including public hospitals.

In addition to the impact on other parts of the health sector, the shortfall in PADP funds has resulted in an increasing pressure on families in crisis and on non government organisations to find resources for equipment to meet this gap. Substantial time is also being spent by health professionals seeking funds from service clubs and other charitable sources to gain equipment.

### **Appropriateness and equity of eligibility requirements**

Many people with disability experience substantially higher costs of living in comparison to other members of the community<sup>vi</sup>. The 2004 Senate Community Affairs Committee Inquiry found that there were a large number of factors that led to these costs:

In addition to being excluded from earning an adequate income, people with disabilities often have higher costs of living associated with their disability. This may include the high cost of medication, the purchase of special equipment or aids, and access to appropriate housing, transport and services related to personal care or maintenance of a person's home. The combination of higher costs of living, along with low income, leads to a strong connection between disability and poverty.<sup>vii</sup>

Many low income people with a disability already devote a large proportion of their weekly income to meet the costs of having a disability, with the Social Policy Research Centre finding the average cost of disability are estimated at about 29% of equivalised household income, rising to between 40 to 49 per cent for those with severe or profound restriction.<sup>viii</sup> These higher costs generate significant hardship for low and middle income households, with Saunders concluding that:

Once account is taken of the costs of disability, the differential in poverty rates between those with and without a disability increases substantially, with the poverty rate among those with a disability exceeding that of those without a disability by more than six-fold.<sup>ix</sup>

The high cost of disability, barriers to entering the workforce, and low levels of income support mean that people with disability are proportionately over-represented within low income categories:

Working age people with a disability and living in households have markedly lower incomes than those without a disability. Some 70% of those with profound core activity restrictions and 56% of those with severe restrictions have incomes in the lowest two income quintiles, compared to 31% of people with no disability.<sup>x</sup>

NCOSS reiterates previously expressed concerns that the implementation of 'eligibility bands' for PADP are driven by inadequate allocation of resources by Government rather than equity concerns *per se*. NCOSS notes that the Physical Disability Council of NSW has previously expressed concern over the use of prioritisation by income for the PADP program:

The income test is a form of service rationing. Its imposition is a tacit admission by the NSW Government that a budget limit imposed by Treasury guidelines, rather than the assessed needs of individuals for equipment, is the defining characteristic of flawed entitlement parameters.<sup>xi</sup>

Given that we know that the vast majority of people with disability are likely to come from a low income household, and that the high costs of disability will adversely impact on a range of

households, even those higher up the income scale, NCOSS believes that PADP should be an entitlement for all people with disability, and that exclusions should only apply to *very high income earners*.

Recommendation 2: That income-based eligibility criteria for PADP be removed, and that any exclusions only apply to *very high income earners*.

### **Copayments**

Co-Payments can pose a financial barrier for some very low income earners. NCOSS notes that PADP applicants who rely solely on pension income may experience hardship in raising the annual \$100 co-payment required to participate in the program. Co-Payments disadvantage those who are least able to afford healthcare:

Co-payments can be considered inequitable in that they impose barriers to the use of medical service with potentially negative health consequences for an already disadvantaged group. This is inconsistent with the move towards concerns with health outcomes as measures of health system performance and the goal of reducing differences in health status across social groups.<sup>xii</sup>

People with disability and people from low socioeconomic groups already experience more difficulty accessing health services<sup>xiii</sup>, have lower life expectancy<sup>xiv</sup> and experience poorer health across a range of areas<sup>xv</sup>.

NCOSS believes that co-payments exacerbate health inequalities between those most and least able to afford healthcare. As such, NCOSS supports the removal of co-payments from the program, in recognition that copayments are inequitable and that people with a life-long or long-term disability face considerable additional costs associated with that disability and that copayments are inequitable.

Recommendation 3: That co-payments for PADP are removed.

### **Conclusion**

The PADP program is an important element in a system of supports for people with disability in NSW, enabling independence and social participation, and reducing financial hardship. Important reforms are needed by the NSW government to ensure that the program is effectively meeting its objectives. The foremost challenge for government is to ensure that there are adequate resources within the program to meet existing community needs.

Should you require any clarification or further information on this submission, please contact Kristie Brown, Senior Policy Officer Health at NCOSS on 02 9211 2599 ext 130 or [Kristie@ncoss.org.au](mailto:Kristie@ncoss.org.au)

Sincerely



Alison Peters  
Director

## Endnotes

- i Based on figures calculated by PricewaterhouseCoopers, Review of the program of appliances for disabled people, June 2006
- ii PricewaterhouseCoopers, Review of the program of appliances for disabled people, June 2006
- iii Based on figures calculated by PricewaterhouseCoopers, Review of the program of appliances for disabled people, June 2006
- iv NSW Health 2006, *The health of the people of New South Wales: Report of the chief health officer*, Sydney: NSW Department of Health p.85
- v Page A, Ambrose S, Glover J, Hetzel D. 2007, *Atlas of Avoidable Hospitalisations in Australia: ambulatory care-sensitive conditions*, Adelaide: University of Adelaide. Available at: [http://www.publichealth.gov.au/pdf/atlasses/avoid\\_hosp\\_aust\\_2007/avoid\\_hosp\\_full.pdf](http://www.publichealth.gov.au/pdf/atlasses/avoid_hosp_aust_2007/avoid_hosp_full.pdf) (last accessed 19 March 2008)
- vi See Peter Saunders, "Disability, Poverty and Living Standards: Reviewing Australian Evidence and Policies," Discussion Paper 145, Social Policy Research Centre, 2005 and Physical Disability Council of Australia, "Towards a Disability Allowance: Offsetting the Costs of Disability", 2001.
- vii Senate Community Affairs Committee, *A Hand Up not a Hand Out: Renewing the Fight Against Poverty*. Report on Poverty and Financial Hardship. March 2004, p363.
- viii Peter Saunders, "Disability, Poverty and Living Standards: Reviewing Australian Evidence and Policies," Discussion Paper 145, Social Policy Research Centre, 2005
- ix Peter Saunders, "Disability, Poverty and Living Standards: Reviewing Australian Evidence and Policies," Discussion Paper 145, Social Policy Research Centre, 2005: p22
- x Australian Council of Social Service, "Fairness and Flexibility: Reform of Workforce Age Social Security Payments in Australia," Submission to Australian Government, September 2003, p38.
- xi Physical Disability Council of NSW, "PADP and the Income Test for Eligibility," February 2000.
- xii Jane Hall, Centre for Health Economics, Research and Evaluation, "Are co-payments a public health issue?", Public Health Bulletin, December 1991: v.2
- xiii NSW Health, *NSW Population health survey: 2006 Report on Adult Health in NSW, 2007*
- xiv Report of the NSW Chief Health Officer, "Socioeconomic status and life expectancy"
- xv Australian Institute of Health and Welfare, *Australia's Health 2008*, 2008